

# 2013 DRAFTING REQUEST

## Bill

Received: 12/18/2013 Received By: jkreye  
 Wanted: As time permits Same as LRB: -2918  
 For: Governor 261-2163 By/Representing: Eileen Schoenfeldt  
 May Contact: Drafter: jkreye  
 Subject: Econ. Development - tax incentives Addl. Drafters:  
 Extra Copies:

Submit via email: YES  
 Requester's email: eileen.schoenfeldt@wisconsin.gov  
 Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

## Pre Topic:

No specific pre topic given

## Topic:

Tax benefits for businesses that relocate to Wisconsin

## Instructions:

See attached

## Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	jkreye 12/18/2013	kfollett 12/18/2013					
/1					lparisi 12/18/2013	lparisi 12/18/2013	State

FE Sent For:

at intro  
2/20/14

<END>

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*Senate jacket for Mark!*

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## Topic:

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Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	jkreye	1/15/18 12/18					

FE Sent For:

<END>

**Kreye, Joseph**

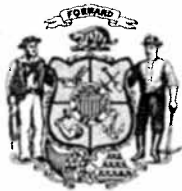
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**From:** Schoenfeldt, Eileen - GOV <Eileen.Schoenfeldt@wisconsin.gov>  
**Sent:** Wednesday, December 18, 2013 8:46 AM  
**To:** Kreye, Joseph  
**Subject:** draft  
**Attachments:** 13-2918\_2.pdf

Joe –

I just asked for a jacket for the Assembly for LRB 2918/2. Can you please draft a companion bill for the Senate? Thanks!

**Eileen Schoenfeldt**  
*Policy Advisor*  
*Office of Governor Scott Walker*  
*(608) 261-2163*  
[eileen.schoenfeldt@wisconsin.gov](mailto:eileen.schoenfeldt@wisconsin.gov)



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-2918/2  
JK:cjs:rs

2013 BILL

3849/1

Today

Rezen

1 AN ACT *to amend* 71.05 (6) (a) 15., 71.21 (4) (a) and 71.34 (1k) (g); and *to create*  
2 71.07 (9t) and 71.10 (4) (ev) of the statutes; **relating to:** an income tax credit  
3 for the moving expenses paid by a business relocating to this state.

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***Analysis by the Legislative Reference Bureau***

This bill creates an income tax credit equal to 50 percent of the amount the taxpayer paid as moving expenses to relocate the taxpayer's business to this state from another state or another country. Only a sole proprietor, partner of a partnership, member of a limited liability company, or shareholder of a tax-option corporation may claim the credit. If the amount of the credit exceeds the taxpayer's tax liability, the taxpayer does not receive a refund, but may claim the amount of any unused credit in the ten taxable years following the taxable year in which the taxpayer first filed a claim.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

4 SECTION 1. 71.05 (6) (a) 15. of the statutes, as affected by 2013 Wisconsin Act  
5 20, is amended to read:

## BILL

## SECTION 1

71.05 (6) (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the credits computed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (4k), (4n), (5e), (5f), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), and (8r), and (9t) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

**SECTION 2.** 71.07 (9t) of the statutes is created to read:

71.07 (9t) RELOCATED BUSINESS MOVING EXPENSES CREDIT. (a) *Definitions.* In this subsection:

1. "Claimant" means an individual who files a claim under this subsection.

2. "Moving expenses" means the reasonable expenses of moving tangible personal property from a former business location to a new business location and of traveling from the former business location to the new business location, including lodging, but not including meals.

3. "Tangible personal property" has the meaning given in s. 77.51 (20).

(b) *Filing claims.* Subject to the limitations under this subsection, for taxable years beginning after December 31, 2013, a claimant may claim as a credit against the tax imposed under s. 71.02, up to the amount of the tax, an amount equal to 50 percent of the amount the claimant paid in the taxable year as moving expenses to relocate the claimant's business to this state from another state or another country, if the claimant's business moves to this state either 51 percent or more of its workforce payroll or at least \$200,000 of wages, as defined in section 3121 of the Internal Revenue Code, paid to its workforce.

**BILL**

1           (c) *Limitations.* Partnerships, limited liability companies, and tax-option  
2 corporations may not claim the credit under this subsection, but the eligibility for,  
3 and the amount of, the credit are based on their payment of amounts under par. (b).  
4 A partnership, limited liability company, or tax-option corporation shall compute  
5 the amount of credit that each of its partners, members, or shareholders may claim  
6 and shall provide that information to each of them. Partners, members of limited  
7 liability companies, and shareholders of tax-option corporations may claim the  
8 credit in proportion to their ownership interests.

9           (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the  
10 credit under s. 71.28 (4), applies to the credit under this subsection.

11           2. If a credit computed under this subsection is not entirely offset against  
12 Wisconsin income taxes otherwise due, the unused balance may be carried forward  
13 and credited against Wisconsin income taxes otherwise due for the following 10  
14 taxable years to the extent not offset by these taxes otherwise due in all intervening  
15 years between the year in which the expense was incurred and the year in which the  
16 carry-forward credit is claimed.

17           **SECTION 3.** 71.10 (4) (ev) of the statutes is created to read:

18           71.10 (4) (ev) Relocated business moving expenses credit under s. 71.07 (9t).

19           **SECTION 4.** 71.21 (4) (a) of the statutes, as affected by 2013 Wisconsin Act 20,  
20 is amended to read:

21           71.21 (4) (a) The amount of the credits computed by a partnership under s.  
22 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p),  
23 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),  
24 (5rm), (6n), and (8r), and (9t) and passed through to partners shall be added to the  
25 partnership's income.

## SECTION 5

# BILL

**SECTION 5.** 71.34 (1k) (g) of the statutes, as affected by 2013 Wisconsin Act 20,  
is amended to read:

71.34 (1k) (g) An addition shall be made for credits computed by a tax-option corporation under ~~ss. 71.07 (9t) and~~ 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), and (8r) and passed through to shareholders.

(END)

**Barman, Mike**

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**From:** Schoenfeldt, Eileen - GOV <Eileen.Schoenfeldt@wisconsin.gov>  
**Sent:** Wednesday, December 18, 2013 10:14 AM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB -3849/1 Topic: Tax benefits for businesses that relocate to Wisconsin

Please Jacket LRB -3849/1 for the SENATE.